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Descriptive Statistics Tallies Business Use of Tax Incentives

OLYMPIA, Wash., Aug. 28, 2006 — Nearly 900 companies participated in four tax incentive programs during 2005, saving \$145.8 million in taxes, according to *Descriptive Statistics for Tax Incentive Programs*, published online by the Washington State Department of Revenue.

The annual report to the Washington State Legislature is based on surveys required of firms that participate in certain tax incentives programs. It is statistical in nature and is not intended to evaluate the programs or determine their effectiveness.

The Business and Occupation (B&O) tax credit for research and development spending had the most participants, with 535 firms saving \$19.8 million in taxes during 2005. The rural county sales tax deferral/exemption program had 238 participants who saved \$57.5 million, while the high tech sales tax deferral/exemption saved 76 businesses \$65.9 million. The new B&O tax exemption for processors of fruit and vegetables drew 42 participants in its initial six months, saving them \$2.6 million. The report does not list companies by name.

The results for nine additional tax incentives will be added to the report starting with the 2007 and 2008 editions. The complete report is available at

<http://dor.wa.gov/docs/reports/2006/DescriptiveStatistics2006.pdf>.

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